

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 440 Section 440.110 Books and Records: Examination: Preservation</b>
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**TITLE 86: REVENUE**

**PART 440  
CIGARETTE TAX ACT**

**Section 440.110 Books and Records: Examination: Preservation**

- a) Every distributor of cigarettes, who is required to procure a license under the Act, shall keep within Illinois, at his licensed address, complete and accurate records of cigarettes held, purchased, manufactured, brought in or caused to be brought in from without the State, and sold or otherwise disposed of, and shall preserve and keep within Illinois at his licensed address all invoices, bills of lading, sales records, copies of bills of sale, inventory at the close of each period for which a return is required of all cigarettes on hand and of all cigarette revenue stamps, both affixed and unaffixed, and other pertinent papers and documents relating to the manufacture, purchase, sale or disposition of cigarettes.
- b) Among other things, a distributor's records of a particular purchase from a manufacturer shall include:
  - 1) A copy of the distributor's purchase order (if any) to the manufacturer;
  - 2) the manufacturer's invoice to the distributor in duplicate (see subsection e));
  - 3) bill of lading or waybill pertaining to the shipment covered by such invoice;
  - 4) receiving record (the receiving record should show the date when the cigarettes were received by the distributor); and
  - 5) other records as the Department may reasonably require.
- c) All books and records and other papers and documents which are required by the Act to be kept shall be kept in the English language, and shall, at all times during the usual business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees.
- d) The books, records, papers and documents shall be preserved for a period of at least 3 years or the date of the entries appearing in the records, unless the Department, in writing, authorizes their destruction or disposal at an earlier date.
- e) Invoices: Every distributor who is required to procure a license under the Act and who purchases cigarettes for shipment into Illinois from a point outside this State shall procure invoices in duplicate covering each shipment, and shall furnish one copy of each invoice to the Department upon request.

- f) Each Illinois manufacturer of cigarettes in original packages that are contained inside a sealed transparent wrapper shall keep a copy of each invoice rendered by the manufacturer to any purchaser to whom the manufacturer delivered cigarettes (or caused cigarettes to be delivered) during the period covered by the manufacturer's return. Copies of invoices must be furnished to the Department upon request.
- g) Each manufacturer who holds a permit under Section 4b of the Act shall keep a copy of each invoice rendered by the permittee to any purchaser to whom the permittee delivered cigarettes of the type covered by the permit (or caused cigarettes of the type covered by the permit to be delivered) in Illinois during the period covered by the return. Copies of invoices must be furnished to the Department upon request.
- h) When a distributor who is licensed or has a permit under the Cigarette Tax Act sells cigarettes to a Federal or foreign government agency or instrumentality under circumstances causing Illinois cigarette tax liability to be incurred (see Section 440.180 of this Part), the distributor shall print, stamp or otherwise write substantially the following legend on the original and all copies of the invoice covering the cigarettes: "Illinois cigarette tax paid".
- i) When a distributor who is licensed or has a permit under the Cigarette Tax Act sells Illinois tax-stamped or tax-imprinted original packages of cigarettes to any purchaser other than a Federal or foreign government agency or instrumentality, the distributor's invoice not only shall state that the cigarette tax has been paid by the distributor, but also shall state the amount of the tax to the purchaser as a separate item from the selling price of the cigarettes.
- j) When a permit holder or licensee under the Cigarette Use Tax Act (as distinguished from a licensee or permit holder under the Cigarette Tax Act) sells Illinois tax-stamped or tax-imprinted cigarettes to anyone other than a Federal or foreign government agency or instrumentality, the distributor's invoice shall state the amount of the cigarette use tax to the purchaser as a separate item from the selling price of the cigarettes. (See Section 440.50 of this Part.) However, when a person sells cigarettes to a Federal or foreign government agency or instrumentality, his invoice should omit any reference to the cigarette use tax.

(Source: Amended at 27 Ill. Reg. 1618, effective January 15, 2003)